II. Amendments to the Claims

This listing of claims replaces without prejudice all prior versions and listings of claims in the application:

Claims 1-40 (Cancelled)

41. (New) A computerized data base, comprising:

data corresponding to a plurality of loans in a loan portfolio in which at least 30% of (i) the portfolio market value, (ii) the portfolio outstanding principal balance, or (iii) the portfolio commitment amount, are distressed loans which: (i) have a payment default, or (ii) where payment default is predetermined to be likely;

for each commercial loan, said data base comprising tabulated data including: (i) recovery rate information comprising borrower cash flow, projected net payments, and related collateral; and at least one of the following: (ii) borrower cash flow information, (iii) loan information including principal amount, interest rate, unfunded commitment amounts, credit information, and amortization information, (iv) loan pricing parameters, (v) loan cash pay rate information, (vi) loan collateral value, (vii) workout parameters including borrower debt capacity and liquidation information, and (viii) loan discounted cash flow valuation.

42. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data comprises all of (ii) borrower cash flow information, (iii) loan information including principal amount, interest rate, unfunded commitment amounts, credit information, and amortization information, (iv) loan pricing parameters, (v) loan cash pay rate information, (vi) loan collateral value, (vii) workout parameters including borrower debt capacity and liquidation information, and (viii) loan discounted cash flow valuation.

43. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) the name of the loan, (ii) an identification number for the loan, (iii) the name of the obligor(s) on the loan, (iv) an indication of the currency in which the loan is denominated, (v) the priority of the loan to the borrower, (vi) the secured or unsecured status of the loan, and (vii) whether the loan is a term loan or a revolver or some other type of loan.

44. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) the dollar amount of the original loan, (ii) identification of any guarantor(s) on the loan, (iii) the degree of support that the borrower may be expected to receive from the guarantor(s), (iv) the collateral securing the loan, (v) a description of the bankruptcy status of the borrower, (vi) the bankruptcy filing date, (vii) the bankruptcy court with jurisdiction over the bankruptcy proceedings.

45. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) whether the borrower is in compliance with its loan covenants, (ii) whether a fixed interest rate is applicable to the loan, (iii) the applicable cash interest rate, (iv) the applicable payment-in-kind rate, and (v) the applicable interest if the borrower defaults on any of its covenants during the term of the loan.

46. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) loan amortization, (ii) financial institution(s) participating in the loan, (iii) financial statement(s) of the borrower(s), and (iv) borrower(s) total operating expenses.

47. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) internal rate of return, (ii) cash pay rate, and (iii) current contractual interest.

48. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) cash and cash equivalents, (ii) unrelated accounts receivable, (iii) related accounts receivable, (iv) inventory, (v) unrelated current assets, (vi) total current assets, (vii) equity method investments, (viii) plant, property and equipment, (ix) goodwill, (x) related non-current assets, and (xi) unrelated non-current assets.

49. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) an annual revenue assumption, (ii) an earnings before interest, taxes, depreciation, and amortization assumption, (iii) a maintenance capital expenditures assumption, (iv) the maximum annual interest expense the borrower is likely able to pay, (v) an interest rate assumption, and (vi) the borrower's total debt capacity.

50. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) low and high liquidation estimates, (ii) whether the borrower has a simple or complex capital structure, (iii) book value for total current assets, and (iv) estimated liquidation fees.

51. (New) A computerized data base according to Claim 41, wherein, for each commercial loan, said tabulated data includes data corresponding to at least one of (i) anticipated or actual Special Purpose Entity (SPE)commitment , (ii) anticipated or actual SPE funded principal, (iii) a prediction as to whether interest will continue to be paid, (iv) anticipated principal amortization stream, and (v) a loan valuation.

52. (New) A method for assembling a commercial loan portfolio, comprising the steps of:

selecting loans from a group of commercial loans to create a loan portfolio in which loans comprising at least 30% of (i) the portfolio market value, (ii) the portfolio outstanding principal balance, or (iii) the portfolio commitment amount, are distressed loans which: (i) have a payment default, or (ii) where payment default is considered likely;

creating a computerized data base for each commercial loan in the selected group of loans, said data base comprising tabulated data including: (i) recovery rate information comprising borrower cash flow, projected net payments, and related collateral; and at least one of the following: (ii) borrower cash flow information, (iii) loan information including principal amount, interest rate, unfunded commitment amounts, credit information, and amortization information, (iv) loan pricing parameters, (v) loan cash pay rate information, (vi) loan collateral value, (vii) workout parameters including borrower debt capacity and liquidation information, and (viii) loan discounted cash flow valuation;

determining anticipated cash flows from each commercial loan in the selected group of loans; and

establishing a purchase price for each loan within the portfolio.

53. (New) A method according to Claim 52, further comprising the steps of :

transferring the loan portfolio to a Special Purpose Entity (SPE);

the SPE paying one or more lending institutions the purchase price for the transfer of the loan portfolio;

the SPE issuing investment rated securities for the loan portfolio.

54. (New) A method according to Claim 53, further comprising the step of the SPE collecting payments on its portfolio of loans and making payments on the securities at has issued.

55. (New) A method according to Claim 52, wherein said selecting step includes the step of analyzing at least one of (i) the maturity date, (ii) the unsecured credit facilities, (iii) the borrower diversity, and (iv) the loan commitment diversity, of the loans in the portfolio.

56. (New) A method according to Claim 52, wherein said selecting step includes the step of eliminating loans which meet any one of the following criteria:

mature late in the term of the securitization;

are secured only by stock or other equity interests;

are denominated in foreign currency;

are extended to non-U.S. borrowers; and

are involved in litigation;

57. (New) A method according to Claim 52, wherein said selecting step includes the step of ensuring that the number of loan borrowers in the loan portfolio is greater than 30.

58. (New) A method according to Claim 52, wherein said selecting step includes the step of ensuring that the loan the portfolio meets industry diversity criteria of at least one credit rating agency.

59. (New) A method according to Claim 52, wherein said selecting step includes the step of ensuring that the loans in the portfolio have been extended to borrowers representing at least 12 industries.

60. (New) A method according to Claim 52, wherein said selecting step includes the step of ensuring that the loan commitments to any one borrower do not represent more than 5% of the aggregate loan commitments to all borrowers.

61. (New) A method of creating a capital structure to securitize a loan portfolio, comprising the steps of:

selecting loans from a group of loans to create a loan portfolio in which loans comprising at least 30% of (i) the portfolio market value, (ii) the portfolio outstanding principal balance, or (iii) the portfolio commitment amount, are distressed loans which: (i) have a payment default, or (ii) where payment default is considered likely;

creating a computerized data base for each loan in the selected group of loans, said data base comprising tabulated data including: (i) recovery information comprising borrower cash flow, projected net payments, and related collateral; (ii) loan information including principal amount, interest rate, unfunded commitment amounts, credit information, and amortization information; (iii) loan pricing parameters; (iv) loan collateral value; (v) workout parameters including borrower debt capacity and liquidation information; and (vi) loan discounted cash flow valuation; and

adding loans to, and/or subtracting loans from the loan portfolio in order to emulate the cash flow and recovery characteristics of a portfolio of performing loans.

62. (New) A method according to Claim 61, further comprising the step of simulating cash flows for a plurality of recovery scenarios, and storing the simulated cash flows in said computerized data base.

63. (New) A method according to Claim 62, wherein each of the plurality of recovery scenarios includes recovery parameters of (i) cumulative payment default rate, (ii) a target pre-default revolver utilization percentage, (iii) a recovery rate for performing principal, (iv) a recovery rate for

defaulted principal, (v) a recovery rate for deferred interest, (vi) a recovery time lag, (vii) a quarterly interest rate step-up or step-down, (viii) an indication of the quarter of interest rate adjustment, (ix) a principal amortization percentage for each payment date, (x) a default loading pattern, and (xi) proceeds from pre-closing principal amortization and pre-closing interest payments.

64. (New) A method according to Claim 61, wherein the workout parameters include (i) an annual revenue assumption, (ii) an earnings before interest, taxes, depreciation, and amortization assumption, (iii) a maintenance capital expenditures assumption, (iv) the maximum annual interest expense the borrower is likely able to pay, (v) an interest rate assumption, and (vi) the borrower's total debt capacity.

65. (New) A method according to Claim 61, wherein the liquidation information includes (i) low and high estimates of recovery value for each asset category in the portfolio, (ii) the book value for each asset class in the portfolio, (iii) the book value for total current assets in the portfolio, (iv) wind-down expenses, (v) trustee fees, (vi) professional fees, and (vii) administration expenses.

66. (New) A method according to Claim 61, further comprising the steps of:

establishing a bankruptcy Special Purpose Entity (SPE) as an investment vehicle for said portfolio; and

determining a price to be paid to a lending institution for its loans within said portfolio, said price being determined in accordance with the tabulated data from the computerized database model for said portfolio.

67. (New) A method according to Claim 66, further comprising the steps of:

forming a capital structure for the SPE for said portfolio, said capital structure including a

source of funds and an enforcement mechanism; and

completing the creation of a securitization by (i) the SPE paying one or more lending institutions the determined price for the lending institution to transfer the portfolio to the SPE, and (ii) the SPE issuing securities.

68. (New) A method according to Claim 67, further comprising the step of modeling cash flows of said capital structure, and providing the modeled cash flows and said tabulated information to one or more credit agencies in such a form that said one or more credit agencies provides investment grade credit ratings to all of the securities, other than equity or equity-like tranches, issued by the SPE upon completing the creation of the securitization.

69. (New) A method according to Claim 67, further comprising the step of the SPE collecting payments on its portfolio of loans and making payments on the securities at has issued.

70. (New) A method according to Claim 61, wherein said selecting step comprises at least one of the steps of:

eliminating from the portfolio loans which mature late in the term of the securitization;

eliminating from the portfolio loans which are secured only by stock or other equity interests;

eliminating from the portfolio loans which are denominated in foreign currency;

eliminating from the portfolio loans which are extended to non-U.S. borrowers;

eliminating from the portfolio loans which are extended to borrowers that are tainted by accounting irregularities;

eliminating from the portfolio loans which are extended to borrowers that are tainted by environmental problems;

eliminating from the portfolio loans which are extended to borrowers that are tainted by litigation;

eliminating from the portfolio loans which are extended to borrowers supported by no collateral; and

eliminating from the portfolio loans which are extended to borrowers supported by minimal restrictive covenants.

71. (New) A method according to Claim 61, wherein said selecting step includes the step of balancing the portfolio so that the number of borrowers is greater than 30.

72. (New) A method according to Claim 61, wherein said selecting step includes the step of balancing the portfolio so that the selected loans have been extended to borrowers representing at least 12 industries.

73. (New) A method according to Claim 61, wherein said selecting step includes the step of selecting the loans so that the portfolio meets the industry diversity criteria of one or more credit rating agencies.

74. (New) A method according to Claim 61, wherein said selecting step includes the step of selecting the loans to meet predetermined loan commitment concentration criteria of one or more selected credit racing agencies.

75. (New) A method according to Claim 61, wherein said selecting step comprises the step of analyzing (i) the maturity date of each loan, (ii) the unsecured credit facilities in the selected group of loans, (iii) the borrower diversity in the selected group of loans, and (iv) the loan commitment diversity in the selected group of loans.